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**ORDINANCE NO. 2010- 007**

**AN ORDINANCE OF THE PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS PROVIDING FOR TITLE; PROVIDING FOR GENERAL MATTERS, DUTIES, RESPONSIBILITIES AND INDEPENDENCE OF THE COUNTY INTERNAL AUDITOR; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS,** the Office of County Internal Auditor has been established by the Charter of Palm Beach County, Florida; and

**WHEREAS,** it is vital that government exercise its power and perform its duties in compliance with law, policy, and established procedures, apply sound management practices, and be held accountable for the use of public funds; and

**WHEREAS,** an Internal Audit Committee has been established to carry out certain duties and responsibilities on behalf of the Board of County Commissioners including oversight of and general guidance of the County Internal Auditor; and

**WHEREAS,** the Board of County Commissioners has given the authority to the County Internal Auditor to inspect any documents, records, or property, and to make inquires of and require responses from any county employee and vendors necessary for the County Internal Auditor to carry out the responsibilities set forth below; and

**WHEREAS,** internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the government’s operations by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

**SECTION 1 – TITLE.** This Ordinance shall be titled the “Palm Beach County Internal Auditor Ordinance.”

**SECTION 2 – GENERAL MATTERS.**

A. The County Internal Auditor shall be nominated to the Board of County Commissioners (BCC) by the Internal Audit Committee. A majority vote of the entire membership of

1       the BCC is required for either the appointment or dismissal of the County Internal  
2       Auditor who shall serve at the pleasure of the BCC.

3       B. The County Internal Auditor shall be a person able to manage a professional audit staff,  
4       analyze financial records, and evaluate operations for effectiveness, efficiency,  
5       economy, program results, and compliance with grants, contracts and BCC directions,  
6       policies, and procedures.

7       C. The County Internal Auditor shall not be involved in any manner in any political  
8       campaign for Palm Beach County elective office nor make financial contributions to any  
9       such campaign.

10      D. The County Internal Auditor must be a Certified Public Accountant licensed in Florida,  
11      a Certified Internal Auditor, or a Certified Government Audit Professional and must  
12      currently possess and maintain active licensure (as appropriate) and certification. The  
13      County Internal Auditor must also maintain active membership in relevant professional  
14      associations such as the American Institute of Certified Public Accountants and the  
15      Florida Institute of Certified Public Accountants (if a CPA), the Institute of Internal  
16      Auditors, the Association of Local Government Auditors, and/or the Association of  
17      Certified Fraud Examiners.

18      E. The County Internal Auditor will adhere to Government Auditing Standards, commonly  
19      referred to as the Yellow Book or generally accepted government auditing standards  
20      (GAGAS), issued by the Comptroller General of the United States.

21      F. Unless specifically directed by the BCC, the County Internal Auditor shall not assume  
22      any non-audit duties or responsibilities except as enumerated herein.

23      G. The County Internal Auditor shall have such assistants and employees as are necessary  
24      to perform the duties enumerated herein, subject to normal budgetary constraints.

25      H. If the County Internal Auditor detects apparent violations of law or apparent instances of  
26      misfeasance or nonfeasance by an officer or employee or information that indicates  
27      derelictions may be reasonably anticipated, the County Internal Auditor shall report the  
28      irregularities in writing to the BCC, the County Administrator, and the Internal Audit  
29      Committee and, when appropriate, immediately notify the appropriate law enforcement  
30      authority in addition to those previously cited.



1 I. The County Internal Auditor may conduct audits of County Constitutional Officers and  
2 other governmental agencies subject to approval by the Internal Audit Committee under  
3 the provisions of Section 3-C – Annual Audit Plan below and subject to BCC approval  
4 of an interlocal agreement submitted by the constitutional officer or agency.

5 **SECTION 3 – DUTIES, RESPONSIBILITIES AND INDEPENDENCE OF COUNTY**  
6 **INTERNAL AUDITOR.**

7 **A. Authority and Responsibilities** The County Internal Auditor shall have authority  
8 to conduct audits of all departments, offices, boards, activities, agencies, contracts, grants,  
9 procurements, agreements and other arrangements under the control of the BCC. Such  
10 audits may include operational, compliance, performance, management and other audits  
11 which are intended to provide reasonable assurance of achievement of objectives in the  
12 following areas:

- 13 1. Effectiveness, efficiency and economy of operations;
- 14 2. Measurement and reporting of performance goals, objectives and results;
- 15 3. Reliability and integrity of operating and financial information and the means  
16 used to identify, measure, classify, and report such information;
- 17 4. Compliance with applicable laws and regulations, grants and contracts, and BCC  
18 directions, policies and procedures; and
- 19 5. Safeguarding assets and critical information.

20 In addition, the County Internal Auditor, in the discharge of his or her duties, is authorized  
21 and responsible for engaging in the following types of functions:

- 22 • Engage in prevention activities, including, but not limited to review of rules,  
23 regulations, policies, procedures and transactions.
- 24 • Perform consulting services, beyond the Office's assurance services, to assist  
25 management in meeting its objectives. These may include, without limitation, process  
26 design, training, and advisory services.
- 27 • Keep the Internal Audit Committee informed of emerging risks and situations that  
28 may have a significant negative impact to County operations under the BCC's direction.
- 29 • Cooperate with investigations by oversight agencies, law enforcement agencies and  
30 the County's Inspector General's Office.



- Monitor implementation of recommendations made and corrective actions taken.

## **B. Independence**

1. The County Internal Auditor is directly responsible to the BCC. The County Internal Auditor and his or her Office are independent from and not under the direction or control of the County Administrator. The County Internal Auditor's Office staff report directly to the County Internal Auditor.
2. The Office of the County Internal Auditor has no direct responsibility to or authority over, any area subject to its audit, review and investigation. The development and implementation of controls is the responsibility of the BCC and County management. The County Internal Auditor may serve in an advisory capacity to management in the development of controls.
3. To avoid any impairment to independence in fact or appearance, neither the County Internal Auditor nor any staff member of the Office shall conduct or supervise an audit of an operational or control activity for which he/she was responsible or within which he/she was employed during the preceding two years.

## **C. Annual Audit Plan**

1. Prior to the beginning of each fiscal year, the County Internal Auditor shall submit an annual risk-based audit plan to the Internal Audit Committee for review and comment. The plan shall include the departments, offices, boards, activities, and programs scheduled for audit during the year and will include any additional duties to be performed in accordance with Section 3-F – Additional Duties of this Ordinance. This plan may be amended during the year by the Internal Audit Committee or as provided in Section 3-D – Special Audits of this Ordinance. Additionally, the County Internal Auditor may at any time initiate and conduct any other audits deemed necessary or advisable whether or not included in the Annual Audit Plan.
2. In the selection of audit areas, the determination of audit scope, and the timing of the audit work, the County Internal Auditor should consult with federal, state

1 and independent auditors as necessary or appropriate so that desirable audit  
2 coverage is provided and audit efforts may be properly coordinated.

3 **D. Special Audits**

- 4 1. The BCC or the Internal Audit Committee may request the County Internal  
5 Auditor to perform special audits. Special audits requested by a member of the  
6 BCC must be approved by the BCC at a regularly scheduled BCC meeting or  
7 referred by the BCC to the Internal Audit Committee for consideration. If  
8 approved by the Internal Audit Committee, special audits may also be performed  
9 for the County Administrator. Such special audits will become an amendment  
10 to the annual audit plan.
- 11 2. The County Internal Auditor shall submit the special audit report to the Internal  
12 Audit Committee for approval prior to distribution.

13 **E. Audit Reports**

- 14 1. Each audit will result in a written report. Audit reports will be numbered for  
15 identification, and the County Internal Auditor will maintain a cross-reference of  
16 audit reports by department and/or program.
- 17 2. The County Internal Auditor shall provide a draft of the audit report to the  
18 audited agency for review and comment regarding factual information before the  
19 report is finalized and released. The head of the audited agency must respond in  
20 writing specifying agreement with audit findings and recommendations or  
21 reasons for disagreement, plans for implementing solutions to identified  
22 problems, and a timetable to complete such activities. The response must be  
23 forwarded to the County Internal Auditor within two weeks. The County  
24 Internal Auditor will include the response in the final report.
- 25 3. The County Internal Auditor shall submit copies of the final audit report to the  
26 audited agency after approval by the Internal Audit Committee and shall retain a  
27 copy as a permanent record. The County Internal Auditor will post audit reports  
28 to the County's website after Internal Audit Committee approval. Reports with  
29 significant findings shall also be provided to the BCC based on the Internal  
30 Audit Committee's evaluation and recommendation.



1           4. The report will contain the professional conclusions of the County Internal  
2           Auditor regarding the activities audited. The County Internal Auditor shall  
3           include in the audit reports:

- 4                   (a)       a precise statement of the audit's objectives, scope and  
5                   methodology;
- 6                   (b)       a statement that the audit was performed in accordance with  
7                   generally accepted government auditing standards, if  
8                   appropriate;
- 9                   (c)       a summary of findings, including a statement of the underlying  
10                  cause, evaluative criteria used, and the current and prospective  
11                  significance of the findings;
- 12                  (d)       statements of response submitted by the audited agency relevant  
13                  to the audit findings;
- 14                  (e)       a concise statement of the corrective actions already taken as a  
15                  result of the audit findings or on the auditee's own initiative; and
- 16                  (f)       recommendations for additional improvements or corrective  
17                  actions.

18           5 The County Internal Auditor shall retain a complete file of all audit reports, audit  
19           work papers, and other supportive material in accordance with record retention  
20           requirements established by State law. In no instance shall such record be  
21           disposed of sooner than three years from the date of the report.

22       **F. Additional Duties**   In addition to the audit functions described above, the County  
23       Internal Auditor shall be responsible for the additional duties described below. Any reports  
24       resulting from the performance of these duties shall be handled in accordance with the  
25       requirements of Section 3-E- Audit Reports of this Ordinance.

- 26           1. Providing available staff or other assistance to the external auditors in order to  
27           reduce the cost of the countywide audit.
- 28           2. Providing advice in the preparation of policy and procedures manuals by all  
29           departments and offices under the control of the BCC and reviewing the  
30           adequacy of policies and procedures relating to financial controls. In order to

1 maintain independence, the Internal Auditor shall have no responsibility for the  
2 actual preparation of the manuals.

3 **SECTION 4. REPEAL OF LAWS IN CONFLICT.**

4 All local laws and ordinances in conflict with any provisions of this Ordinance are  
5 hereby repealed to the extent of such conflict.

6 **SECTION 5. SEVERABILITY.**

7 If any section, paragraph, sentence, clause, phrase, or word of this Ordinance is for any  
8 reason held by the Court to be unconstitutional, inoperative, or void, such holding shall not  
9 affect the remainder of this Ordinance.


10 **SECTION 6. INCLUSION IN THE CODE OF LAWS AND ORDINANCES.**

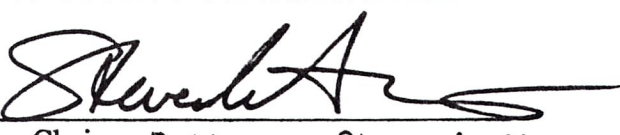
11 The provisions of this Ordinance shall become and be made a part of the Code of Laws  
12 and Ordinances of Palm Beach County, Florida. The sections of this Ordinance may be  
13 renumbered or re-lettered to accomplish such, and the word "ordinance" may be changed to  
14 "section," "article," or other appropriate word.

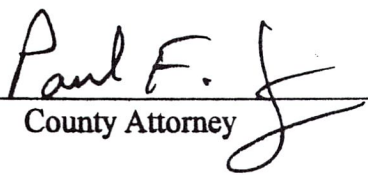
15 **SECTION 7. EFFECTIVE DATE.**

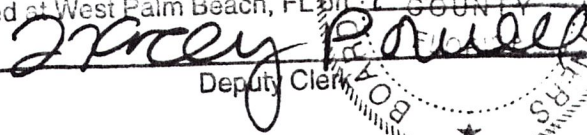
16 The provisions of this Ordinance shall become effective upon filing with the Department  
17 of State.

18 APPROVED AND ADOPTED by the Board of County Commissioners of Palm Beach  
19 County, Florida, on this the 23rd day of March, 2010.

20  
21 SHARON R. BOCK  
22 CLERK & COMPTROLLER  
23  
24 By:   
25 Deputy Clerk  
26  
27 (SEAL)

PALM BEACH COUNTY, FLORIDA, BY ITS  
BCC OF COUNTY COMMISSIONERS  
By:   
Chair Burt Aaronson Steven L. Abrams

28 APPROVED AS TO FORM AND  
29 LEGAL SUFFICIENCY  
30  
31 By:   
32 County Attorney  
33

STATE OF FLORIDA, COUNTY OF PALM BEACH  
I, SHARON R. BOCK, Clerk and Comptroller  
certify this to be a true and correct copy of the original  
filed in my office on MAR 23 2010  
dated at West Palm Beach, FL on 3-23-10  
By:   
Deputy Clerk

34 Filed with the Department of State on the 29th day of March, 2010.  
35